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ECONOMIC CONDITIONS IN NEW HAMPSHIRE

A Monthly Report by the **NEW HAMPSHIRE DEPARTMENT OF EMPLOYMENT SECURITY**
Prepared in Coordination with the **UNITED STATES BUREAU OF LABOR STATISTICS**

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New Hampshire Unemployment Rate Drops to 3.2% in July; Rate is 0.2% Lower Than in June.

There was a slight decrease in the unemployment rate from June to July. The rate had been 3.4 percent in June. However, due to seasonal factors the unemployment rate dropped 0.2 percentage points to 3.2 percent in July. This is the highest July unemployment rate since 1985, when the rate was 3.7 percent. A year ago, in July 1988, the unemployment rate was 2.7 percent. The decrease in the rate from June-to-July this year was the largest percentage point drop between those two months since 1985, when the decrease was 0.3 percentage points.

Among the seasonal factors causing the unemployment rate decline were increases in the number of self-employed individuals and agricultural workers. As mentioned in the last issue of Economic Conditions, June is a time of year when students, other youth, and part-year workers enter the labor force and may not find immediate employment. This can cause the unemployment rate to increase from May to June. As new entrants find employment, the unemployment rate can fall, as it did this year from June to July. The labor force rose 4,400 over the month, while the number of unemployed dropped by 810; the combination led to the lower unemployment rate.

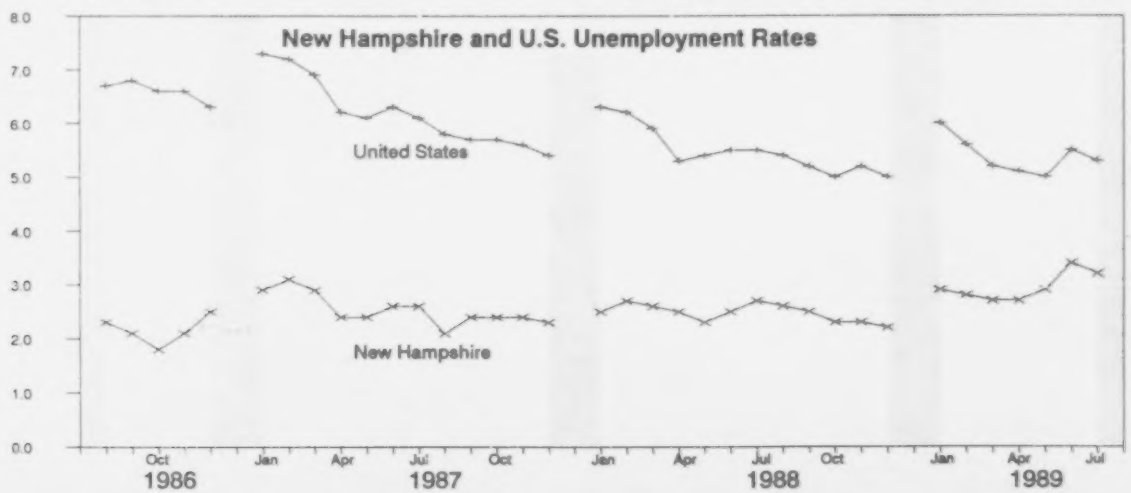
Nationally the not-seasonally-adjusted unemployment rate dropped from 5.5 percent in June to 5.3 percent in July.

The national civilian labor force reached 126,238,000 in July, up 669,000 over the previous month, and 2,350,000 above the level of twelve months earlier. July unemployment in the United States was estimated to be 6,736,000, which was lower than unemployment in both June 1989 (6,850,000) and July 1988 (6,823,000).

Employment Trends in New Hampshire

Nonagricultural wage and salary employment was estimated at 532,500 in July. The revised estimate of June nonagricultural wage and salary employment was 540,450 (compared to preliminary estimates of 540,350). In July 1988 nonfarm employment was placed at 530,050. Estimates of nonagricultural employment are based on monthly sampling of New Hampshire employers.

The decline in nonagricultural employment over the month (-7,950) was due principally to seasonal factors. July is typically a period with numerous manufacturing vacation shutdowns, and the drop in manufacturing employment (-6,050) between June and July accounted for about three-quarters of the total estimated employment decline. However, there have also been indications of a general



Notes: These unemployment rates were calculated using the new methodology adopted in January 1989. They are not directly comparable to monthly rates published prior to that time.

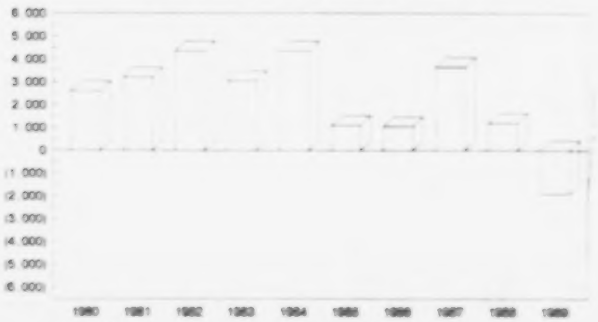
Although monthly changes are included in this publication, it should be noted that these figures are not seasonally adjusted. Over-the-month comparisons may be affected by seasonal changes and thus could present misleading representation of underlying trends. To eliminate bias, it is more useful to compare any non-seasonally-adjusted statistic with that of twelve months earlier

slowdown in the economy, and this may be affecting manufacturing employment, also. In 1988, the June-to-July change in manufacturing employment was -3,850.

Decreases in employment were estimated for all types of manufacturing industries (see table on page 4). The largest drop occurred in the electrical products industry (-1,250) in the durable goods sector.

The drop in nonmanufacturing employment over the month was the first June-to-July drop calculated for that category during this decade. The average change in nonmanufacturing wage and salary employment between the two months from 1980 through 1988 was about +2,700. From 1985 through 1988 the change averaged +1,750. This year the change was -1,900. This switch was caused chiefly by a much smaller increase in employment in the wholesale and retail trade sectors. This year trade employment rose only 350 from June to July, compared to an average trade increase of slightly over 2,000 between those two months from 1980-1988, and over 2,150 from 1985-1988. Construction has not been as robust as in recent years, and employment grew over the month by only 900 workers, compared to an average June-to-July increase of 1,300 for 1980-1988. In addition, government employment dropped a little more than usual between the two months. Other nonmanufacturing sector changes were more normal. Transportation, communication, and utilities industries dropped slightly (-350 employees), while Services industries were up 2,800 over the month (which is noticeably less than during most years in the 1980's, but above the monthly change of 2,600 in 1988).

NET CHANGE IN NONMANUFACTURING EMPLOYMENT
from June to July, 1980 - 1989

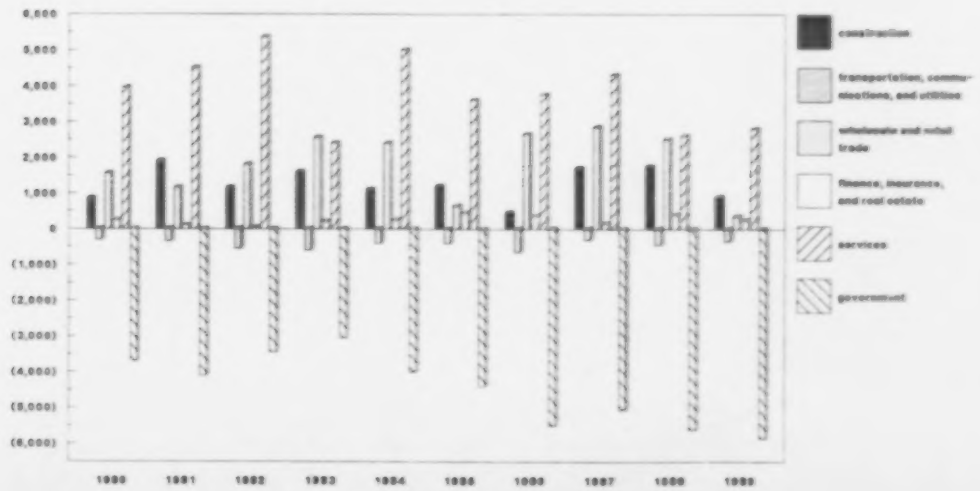


NET CHANGE IN TRADE EMPLOYMENT
from June to July, 1980 - 1989

Nonagricultural wage and salary employment has increased by 2,450 from a year earlier, however. Manufacturing jobs were estimated to be 2,200 fewer, while nonmanufacturing jobs have expanded by 4,650.

Nonmanufacturing employment was able to establish gains in spite of the dismal performance of construction (-4,600 jobs over the year). Largest gains were found in Services

CHANGES IN NONMONUFACTURING WAGE AND SALARY EMPLOYMENT
from June to July, 1980 - 1989



(+5,050), Trade (+2,200), and Government (+1,400). Most of the increase in government was in the local government sector. The boost in trade employment over levels of twelve months earlier was the smallest July-to-July change since 1981-1982, and may signal retrenchment in hiring.

Labor Market Area Unemployment Trends

Eight labor market areas saw a decrease in their unemployment rates between June and July. Four areas had increases. The largest increase (+1.0 percentage points) was in the Berlin Labor Market Area (LMA), precipitated by manufacturing vacations and a slow start to the summer tourist season. The largest drop was for the Concord LMA (-0.9 percentage points).

The lowest unemployment rate for an area was found in the Keene LMA, which registered 2.0 percent in July. The Littleton and Claremont areas followed at 2.3 percent and 2.4 percent, respectively. The diversified Monadnock area economy, plus the expansion in the Hanover/Lebanon area have contributed to the low unemployment rates in the lower Connecticut River Valley area. The highest area rate, 5.0 percent, was again found in the Salem area, which is the New Hampshire portion of the Lawrence-Haverhill, Massachusetts Primary Metropolitan Statistical Area (PMSA). This region is particularly affected by the slowdown in the Massachusetts economy. [The New Hampshire portion of the Lowell, MA PMSA, which is the town of Pelham, had a 5.6 percent unemployment rate, but represents a very small area. It is more useful to compare unemployment rates for areas larger in population and size.]

June Unemployment Rate Third Lowest in United States

Hawaii had the lowest unemployment rate in the nation in June, registering 3.0 percent. Indiana had a 3.3 percent unemployment rate. New Hampshire and Connecticut were tied for third with 3.4 percent. All New England states had rates below 4.0 percent. After New Hampshire and Connecticut with the low rates for the region came Rhode Island at 3.7 percent; Maine and Vermont, 3.8 percent; and Massachusetts, 3.9 percent. Mississippi had the highest unemployment rate in June, 9.8 percent.

Average Hourly Earnings in Manufacturing Up from June; Average Weekly Hours Down Slightly

New Hampshire manufacturing average weekly hours were down slightly from June to July. Hours dropped from 40.8 to 40.3 per week. This can be attributed to seasonal factors. Average hourly earnings were up $0.14, from $10.10 to $10.24. Average weekly earnings changed little because of higher average hourly earnings and lower average weekly hours working in opposite directions. Weekly earnings were up only $0.59 (from $412.08 to $412.67).

Average weekly hours were 2.7 hours per week lower in the Manchester MSA (moving from 41.3 hours in June to 38.6 hours per week in July). The effect of this drop was partially offset by higher average hourly earnings in the Manchester region (up $0.13 from $10.18 to $10.31). Average weekly earnings declined by $23.47 to $397.97.

Highest average hourly earnings were estimated for the Food and Kindred Products industry ($13.03) in the nondurable goods sector. Highest average weekly earnings ($505.56) were in the same industry. Average weekly hours were greatest in the Paper and Allied Products industry (44.0 hours) in the nondurable goods sector.

Bruce DeMay

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TOTAL UNEMPLOYMENT AND LABOR FORCE BY AREA AND COUNTY*

	UNEMPLOYMENT								CIVILIAN LABOR FORCE				
	July 1989		June 1989		July 1988		Numerical Change From Previous:		July	June	July	Numerical Change From Previous:	
	Number	Rate	Number	Rate	Number	Rate	Month	Year	1989	1989	1988	Month	Year
United States**	6,736	5.3	6,850	5.5	6,823	5.5	(114)	(87)	126,238	125,569	123,888	669	2,350
New Hampshire	20,460	3.2	21,290	3.4	16,730	2.7	(810)	3,750	636,920	634,520	616,450	4,400	22,470
Berlin LMA	1,030	3.5	690	2.5	640	2.3	340	390	29,420	27,450	27,300	1,970	2,120
Claremont LMA	1,080	2.4	820	1.9	960	2.3	260	120	44,560	43,200	41,800	1,360	2,760
Concord LMA	1,700	2.9	2,100	3.8	1,390	2.5	(400)	310	58,250	55,590	55,460	2,660	2,790
Keene LMA	930	2.0	850	1.9	750	1.8	80	180	45,470	44,030	42,030	1,440	3,440
Laconia LMA	2,050	3.1	1,930	3.2	1,320	2.2	120	730	65,140	60,300	60,090	4,840	5,050
Littleton LMA	510	2.3	580	2.9	520	2.5	(70)	(10)	21,730	20,510	20,510	1,220	1,220
Manchester MSA	2,680	3.1	2,860	3.3	2,120	2.5	(180)	560	86,200	87,870	84,560	(1,670)	1,640
Nashua PMSA	3,100	3.1	3,730	3.6	2,870	2.9	(630)	230	98,850	102,840	99,470	(3,990)	(620)
NH portion Lawrence-Haverhill, Ma PMSA***	2,670	5.0	3,100	5.7	2,210	4.2	(430)	460	53,110	54,490	52,320	(920)	1,460
Portsmouth-Dover-Rochester NH+Me MSA	3,700	2.7	3,530	2.6	3,140	2.3	170	560	137,410	138,410	136,450	(1,000)	960
Unattached Estimating Area	990	4.2	1,160	4.8	750	3.4	(170)	240	23,450	24,370	21,990	(920)	1,460
NH portion Lowell Ma PMSA	310	5.5	360	6.3	250	4.7	(50)	60	5,550	5,670	5,310	(120)	240
Counties													
Belknap	1,110	3.3	980	3.2	680	2.2	130	430	33,530	31,010	30,920	2,520	2,610
Carroll	490	2.3	580	2.8	330	1.6	(90)	160	21,740	20,570	20,230	1,170	1,510
Cheshire	840	2.1	760	1.9	710	1.9	80	130	40,540	39,240	37,500	1,300	3,040
Coos	960	4.1	800	2.8	670	3.1	380	290	23,170	21,520	21,550	1,650	1,620
Grafton	1,090	2.3	1,100	2.4	980	2.2	(10)	110	47,830	45,280	44,840	2,350	2,990
Hillsborough	5,960	3.2	6,860	3.6	5,300	2.9	(900)	660	187,700	182,780	185,660	(5,080)	2,040
Merrimack	2,020	2.9	2,360	3.5	1,450	2.2	(360)	570	70,440	67,520	66,780	2,920	3,660
Rockingham	4,860	3.8	5,750	4.3	3,830	3.0	(890)	1,030	129,210	132,260	126,660	(3,050)	2,550
Strafford	2,410	3.9	1,840	3.0	2,150	3.5	570	260	62,070	62,310	61,080	(240)	990
Sullivan	740	3.2	440	2.0	830	2.9	300	110	22,860	22,030	21,430	860	1,460

* *NH estimates based on the Bureau of Labor Statistics "43 step handbook method" adjusted to the Current Population Survey (CPS) estimates.*

** *In thousands, not seasonally adjusted.*

*** *New Hampshire Portion of the Lawrence-Haverhill, Massachusetts Primary Metropolitan Statistical Area which includes Salem and twelve small towns.*

Note: Negative numbers in parentheses

NEW HAMPSHIRE CIVILIAN LABOR FORCE, TOTAL EMPLOYMENT AND UNEMPLOYMENT AND SALARY EMPLOYMENT AS OF THE MIDDLE OF THE MONTH

	Number of Workers			Numerical Change * From Previous:	
	July 1989	June 1989	July 1988	Month	Year
Labor Force Data **					
Civilian Labor Force	638,920	634,520	616,450	4,400	22,470
Unemployment	20,480	21,290	16,730	(810)	3,750
Percent of Labor Force	3.2	3.4	2.7	—	—
Employment Total	618,440	613,230	599,620	5,210	18,820
Persons Involved in Labor Disputes	0	0	100	0	(100)
Employment by Industry ***					
NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT	532,500	540,450	530,050	(7,950)	2,450
MANUFACTURING	112,750	118,800	114,950	(6,050)	(2,200)
Durable Goods	79,650	82,950	80,700	(3,300)	(1,050)
Lumber and wood products	5,150	5,700	5,600	(550)	(450)
Furniture and fixtures	1,300	1,350	1,450	(50)	(150)
Stone and clay products	3,500	3,550	3,550	(50)	(50)
Primary metal products	4,800	4,900	4,700	(100)	100
Fabricated metal products	6,650	7,000	6,450	(350)	200
Machinery (except electrical)	25,300	25,750	25,450	(450)	(150)
Electrical products	21,750	23,000	21,800	(1,250)	(50)
Miscellaneous products	1,950	2,250	2,200	(300)	(250)
Other durable goods	9,250	9,450	9,500	(200)	(250)
Nondurable Goods	33,100	35,850	34,250	(2,750)	(1,150)
Food and kindred products	2,650	2,800	2,600	(150)	50
Textile mill products	2,900	3,500	3,300	(600)	(400)
Apparel	1,200	1,700	1,450	(500)	(250)
Paper and allied products	5,700	5,800	5,500	(100)	200
Printing, publishing, and allied	8,800	8,900	8,700	(100)	100
Leather and leather products	2,750	3,200	2,900	(450)	(150)
Other nondurable goods	9,100	9,950	9,800	(850)	(700)
NONMANUFACTURING	419,750	421,650	415,100	(1,900)	4,650
Construction (including mining)	36,650	35,750	41,250	900	(4,600)
Transportation, communication, and utilities	17,850	18,200	17,850	(350)	0
Trade	141,000	140,650	138,800	350	2,200
Finance, insurance, and real estate	33,800	33,550	33,200	250	600
Service industry and other	127,250	124,450	122,200	2,800	5,050
Government	63,200	69,050	61,800	(5,850)	1,400
Federal	8,650	8,650	8,600	0	50
State	17,050	16,700	16,900	350	150
Local	37,500	43,700	36,300	(6,200)	1,200
Persons involved in labor disputes (not included in Nonagricultural Wage and Salary Employment Total above)	0	0	100	0	(100)

** Numbers in parentheses indicate negative numbers*
*** By place of residence*
**** By place of establishment, March 1988 benchmark*

MSA LABOR FORCE, TOTAL EMPLOYMENT AND UNEMPLOYMENT, AND NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT AS OF THE MIDDLE OF THE MONTH

	Manchester MSA					Nashua PMSA					Portsmouth-Dover-Rochester MSA				
	Number of Workers			Change*		Number of Workers			Change*		Number of Workers			Change*	
	July 1989	June 1989	July 1988	From Previous: Month	Year	July 1989	June 1989	July 1988	From Previous: Month	Year	July 1989	June 1989	July 1988	From Previous: Month	Year
Labor Force Data**															
1. Civilian Labor Force	86,200	87,870	84,560	(1,670)	1,640	98,850	102,840	99,470	(3,990)	(620)	137,410	138,410	136,450	(1,000)	960
2. Unemployment	2,680	2,960	2,120	(180)	560	3,100	3,730	2,870	(630)	230	3,700	3,530	3,140	170	560
Percentage of Labor Force	3.1	3.3	2.5	—	—	3.1	3.6	2.9	—	—	2.7	2.6	2.3	—	—
3. Employment Total	83,520	85,010	82,340	(1,490)	1,180	95,750	99,110	96,600	(3,360)	(850)	133,710	134,880	133,310	(1,170)	400
4. Persons involved in Labor Disputes	0	0	100	0	(100)	0	0	0	0	0	0	0	0	0	0
Employment by Industry***															
NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT	84,800	86,900	84,650	(2,100)	150	92,850	96,800	94,700	(3,950)	(2,050)	112,350	115,200	112,500	(2,850)	(150)
MANUFACTURING	10,750	11,550	11,300	(800)	(550)	34,850	36,550	36,250	(1,700)	(1,400)	19,250	20,950	19,750	(1,700)	(500)
Durable Goods	6,300	6,850	6,700	(550)	(400)	29,000	30,550	29,900	(1,550)	(900)	12,250	12,900	12,450	(650)	(200)
Machinery and electrical products	3,300	3,600	3,600	(300)	(300)	21,900	23,100	22,500	(1,200)	(600)					
Other durable goods	3,000	3,050	3,100	(50)	(100)	7,100	7,450	7,400	(350)	(300)					
Nondurable Goods	4,450	4,700	4,600	(250)	(150)	5,850	6,000	6,350	(150)	(500)	7,000	8,050	7,300	(1,050)	(300)
Textile mill products	1,000	1,100	1,100	(100)	(100)										
Other nondurable goods	3,450	3,600	3,500	(150)	(50)										
NONMANUFACTURING	74,050	75,350	73,350	(1,300)	700	57,800	60,050	58,450	(2,250)	(650)	93,100	94,250	92,750	(1,150)	350
Construction (including mining)	6,400	6,250	6,550	150	(150)	4,550	4,650	5,300	(100)	(750)	6,150	5,950	7,050	200	(900)
Transportation, communication, and utilities	5,800	5,800	5,400	0	200	2,900	2,850	2,700	(50)	100	3,250	3,300	3,150	(50)	100
Trade	22,900	23,700	23,300	(800)	(400)	21,300	21,900	22,350	(500)	(1,050)	31,700	31,300	31,050	400	650
Finance, insurance, and real estate	8,650	8,600	8,300	50	350	3,700	3,700	3,800	0	(100)	7,350	7,100	7,250	250	100
Service industry & other	22,450	22,350	21,800	100	650	19,450	19,700	18,800	(250)	650	23,000	22,450	22,700	550	300
Government	8,050	8,850	8,200	(800)	(150)	6,000	7,350	5,500	(1,350)	500	21,650	24,150	21,550	(2,500)	100
Federal	2,800	2,550	2,650	50	(50)	1,000	950	900	50	100	11,000	11,050	10,850	(50)	150
State	800	800	750	0	50	200	200	200	0	0	3,300	3,700	3,000	(400)	300
Local	4,850	5,500	4,800	(650)	(150)	4,800	6,200	4,400	(1,400)	400	7,350	9,400	7,700	(2,050)	(350)
Persons involved in labor disputes (not included in Nonagricultural Wage and Salary Employment above)	0	0	100	0	(100)	0	0	0	0	0	0	0	0	0	0

Manchester MSA – includes the city of Manchester and the towns of Allenstown, Auburn, Bedford, Candia, Goffstown, and Hooksett.
Nashua PMSA – includes the city of Nashua and the towns of Amherst, Brookline, Hollis, Hudson, Litchfield, Londonderry, Merrimack, Milford, Mont Vernon, and Wilton.
Portsmouth-Dover-Rochester MSA – includes the New Hampshire cities of Dover, Portsmouth, Rochester, and Somersworth; the New Hampshire towns of Barrington, Durham, Exeter, Farmington, Greenland, Hampton, Lee, Madbury, Milton, New Castle, Newfields, Newington, Newmarket, North Hampton, Rollinsford, Rye, and Stratham; and the Maine towns of Berwick, Eliot, Kittery, North Berwick, Ogunquit, South Berwick, Wells, and York.

* *Numbers in parentheses indicate negative numbers*
** *By place of residence*
*** *By place of establishment, March 1988 benchmark*

AVERAGE EARNINGS AND HOURS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

(Establishment Survey estimates on this page are currently projected from March 1988 benchmark levels.)

NEW HAMPSHIRE

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988
All Manufacturing	$412.67	$412.08	$391.23	40.3	40.8	39.8	$10.24	$10.10	$9.83
Durable goods	416.16	421.25	389.86	39.9	40.7	39.3	10.43	10.35	9.92
Lumber and wood products	312.63	342.38	293.27	36.1	38.6	34.3	8.66	8.87	8.55
Furniture and fixtures	309.87	317.12	313.34	40.4	40.5	40.8	7.67	7.83	7.68
Stone and clay products	405.92	392.29	375.42	43.0	41.6	41.3	9.44	9.43	9.09
Primary metal products	462.53	471.26	441.56	43.8	44.5	44.2	10.56	10.59	9.99
Fabricated metal products	438.68	439.94	399.96	42.1	41.7	40.4	10.42	10.55	9.90
Machinery (except electrical)	454.33	437.14	429.68	42.7	42.4	42.5	10.64	10.31	10.11
Electrical products	405.36	428.19	381.97	36.0	38.3	35.4	11.26	11.18	10.79
Miscellaneous products	332.26	343.38	336.84	38.5	38.8	40.1	8.63	8.85	8.40
Other durable goods	421.60	430.50	394.94	40.0	41.0	40.3	10.54	10.50	9.80
Nondurable goods	406.55	392.78	391.53	41.4	41.0	40.7	9.82	9.58	9.62
Food and kindred products	505.56	505.68	495.71	38.8	43.0	40.9	13.03	11.76	12.12
Textile mill products	323.09	351.60	306.05	38.1	40.6	38.4	8.48	8.66	7.97
Apparel	284.82	266.16	242.79	40.4	37.7	34.1	7.05	7.06	7.12
Paper and allied products	465.08	468.45	563.36	44.0	45.0	50.3	10.57	10.41	11.20
Printing, publishing, and allied	415.25	412.56	392.03	38.7	38.2	38.7	10.73	10.80	10.13
Leather and leather products	256.22	220.89	240.68	40.8	35.8	37.2	6.28	6.17	6.47
Footwear	258.54	219.56	245.15	41.3	35.7	37.6	6.26	6.15	6.52
Other nondurable goods	430.32	406.69	388.80	44.0	42.9	40.5	9.78	9.48	9.60

Sample Percent of Production Workers: 38.8%

Total Production Workers: 75,350

Firms Reporting: 279

Manchester MSA

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988
All Manufacturing	$397.97	$420.43	$398.34	38.6	41.3	38.9	$10.31	$10.18	$10.24
Durable goods	391.92	411.84	405.38	36.8	39.6	38.1	10.65	10.40	10.64
Machinery and electrical products	394.22	426.21	410.96	36.2	41.1	38.3	10.89	10.37	10.73
Other durable goods	387.46	392.25	399.47	37.4	37.5	37.9	10.36	10.46	10.54
Nondurable goods	408.20	433.84	387.93	41.4	44.0	40.2	9.86	9.86	9.65
Textiles and apparel	365.51	407.25	302.25	42.6	45.3	37.5	8.58	8.99	8.06
Other nondurable goods	421.89	441.53	415.93	41.0	43.5	41.1	10.29	10.15	10.12

Sample Percent of Production Workers: 52.0%

Total Production Workers: 7,800

Firms Reporting: 37

Nashua PMSA

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988
All Manufacturing	$482.80	$487.21	$464.53	40.0	41.5	39.3	$12.07	$11.74	$11.82
Durable goods	474.91	488.38	470.04	38.8	40.8	39.8	12.24	11.97	11.81
Machinery and electrical products	500.57	513.72	495.48	37.3	39.7	38.8	13.42	12.94	12.77
Other durable goods	422.00	437.62	408.66	41.7	43.2	42.0	10.12	10.13	9.73
Nondurable goods	510.60	483.07	443.19	44.4	44.4	37.4	11.50	10.88	11.85

Sample Percent of Production Workers: 41.6%

Total Production Workers: 18,000

Firms Reporting: 51

Portsmouth-Dover-Rochester MSA

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988	July 1989	June 1989	July 1988
All Manufacturing	$404.89	$412.00	$379.60	41.4	42.3	40.0	$9.78	$9.74	$9.49
Durable goods	432.01	445.62	404.40	41.7	42.4	40.0	10.36	10.51	10.11
Nondurable goods	360.39	359.96	340.05	41.0	42.1	40.1	8.79	8.55	8.48

Sample Percent of Production Workers: 46.6%

Total Production Workers: 13,550

Firms Reporting: 31

Consumer Price Index for July 1989

- For the second month in a row the Consumer Price Index for all Urban Consumers (CPI-U) for All Items increased moderately by 0.2%.

- The percentage increase from July 1988 to July 1989 was 5.0%, equalling the over-the-year change of March this year, before the peak change of 5.4% experienced in May.

- The Food and Beverages index rose 5.6% from the previous year and 0.4% over the month. *Cereals and bakery products* showed the greatest over-the-year increase (9.2%) and over-the-month increase (0.9%). *Sugar and sweets* also showed a large increase over the past month, 0.8%. *Fruits and vegetables* declined 0.1% from June, as seasonal crops made supplies more plentiful; this category still has the highest index, 140.1, of the Food and Beverages group.

- Housing rose 4.0% from a year ago and 0.8% from June to July. *Lodging while out of town* pushed *other renters' (nonresidential)* costs up by 6.4% over the previous month; some increase was to be expected with seasonal vacationers increasing demand but this was considerably greater than the trend of previous years. *Homeowners' costs* rose 0.6% over the month. Prices for *fuel oil and other household fuel commodities* were down 0.6% from June to July. *Housekeeping supplies* have risen 5.6% over the previous year.

- The Apparel and Upkeep index dropped 2.4% for the month, showing a very moderate increase of 2.0% for the year. The price index for *infants' and toddlers' apparel* fell 4.8% over the month and the index for *women's and girls' apparel* was down 4.5% from June to July. The seasonal price reductions were greater than usual in this volatile index group. The introduction of new fall fashions and the increased demand from back-to-school shoppers are likely to push apparel prices higher in the upcoming months.

- Transportation was down 0.4% over the month, with a 6.0% increase over the year. *Gasoline* dropped 1.7% in price from June to July, a moderation from the price increases of the late spring (13.3% from March to April and 5.0% from April to May). The price of *new cars* dropped 0.4% over the month and has gained only 1.8% over the year; the sluggishness of sales has kept prices down and the dealers need to clear out the lots for the 1990 models. The automakers have threatened price increases on the new models to induce purchasers to buy now. *Used car prices* fell 0.2% over the month and increased 2.7% over the year; if new car sales increase, the supply of used cars is likely to increase and used car prices continue to fall.

- The Medical Care index rose 0.8% from June to July and 7.5% over the previous year. *Medical care services* increased 0.9% for the month and 7.4% for the year; *hospital and related services* showed price increases greater than the increases for *professional services*.

- The Entertainment index increases were 0.6% for the month and 5.3% for the year. The price increases for *entertainment services* were largely accounted for by the higher prices of admission tickets to movies, and musical and sports events.

- The Other Goods and Services index was 0.7% higher for the month and 7.9% higher for the year. *Tobacco and smoking products* showed a 2.0% increase for the month and a yearly increase of 13.6% for the year. The Other Goods and Services category also includes *personal and educational expenses*; price increases in these items are likely to push the index higher in the next few months as purchases for the new school year reflect the increased demand for school supplies and higher textbook prices.

Ricia DuBuclet

U.S. CONSUMER PRICE INDEX, JULY 1989

	1989	1988	1987	1986
1982-84=100				
All Urban Consumers (CPI-U)				
July Index	124.4	118.5	113.8	109.5
Percent Change From Previous July	5.0	4.1	3.9	1.6
Urban Wage Earners and Clerical Workers (CPI-W)				
July Index	123.2	117.2	112.7	108.4
Percent Change From Previous July	5.1	4.0	4.0	1.2
1967=100				
All Urban Consumers (CPI-U)				
July Index	372.7	354.9	340.8	328.0
Percent Change From Previous July	5.0	4.1	3.9	1.6
Urban Wage Earners and Clerical Workers (CPI-W)				
July Index	366.8	349.1	335.6	322.9
Percent Change From Previous July	5.1	4.0	3.9	1.2

JULY CPI INDEXES BY CATEGORY

(1982-84=100, except where otherwise noted)

Categories	CPI-U Jul Index	Percent Change from: Jul 1988	Jun 1989	CPI-W Jul Index
All Items	124.4	5.0	0.2	123.2
All Items (1967=100)	372.7	5.0	0.3	366.8
Food and Beverages	125.4	5.6	0.4	125.1
Housing	123.9	4.0	0.8	122.1
Apparel and Upkeep	115.0	2.0	-2.4	114.4
Transportation	115.4	6.0	-0.4	115.4
Medical Care	149.7	7.5	0.8	150.1
Entertainment	126.9	5.3	0.6	126.1
Other Goods and Services	147.3	7.9	0.7	147.5

YEARLY CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (1982-84 = 100)

	1988	1987	1986
Average CPI-U Level for Year:	118.3	113.6	109.6
Percent Change from Previous Year Average:	4.1%	3.6%	1.9%
December CPI-U Level for Year:	120.5	115.4	110.5
Percent Change from Previous December:	4.4%	4.4%	1.1%

Note: The CPI data on these tables is unadjusted for seasonal fluctuations.

Source: United States Department of Labor, Bureau of Labor Statistics

New Hampshire Labor Supply and Demand

There was a total of 13,075 active applicants from all local offices for July, an increase of 557 from June. A year ago there was an increase of only 181 between June and July, with a July level of only 9,559 active applicants. Active applicants have increased in number from a year ago, while job openings received have decreased. The number of job openings received dropped 346 from 1,547 in June to 1,201 in July. In July 1988, there was a decrease of 430, but that was from a higher June level of 2,044 job openings received.

The New Hampshire economy, along with the New England economy, has experienced several years of powerful growth which was influenced by relatively cheap oil and hefty defense contracts that helped to create many "high-tech" jobs. These factors helped drive New Hampshire and New England to a level of earnings almost 20 percent above the national average (according to information from the Federal Reserve Bank of Boston). Earnings increases of this magnitude are not likely to occur again in a region that is feeling the effects of much weaker defense spending ($701 million in 1985 to $479 million in 1988) and the resultant loss of defense-related "high-tech" jobs. A slowdown in housing nationwide, along with increased interest rates and fear of a recession, have all impacted on the economic slowdown that occurred during the first half of the year. According to estimates by the New England Economic Project (NEEP), New Hampshire has been left with a 12 month supply of unsold housing more month's worth than any other state.

Despite the slowdown in the economy in the first half of the year, the unemployment rate this year dropped from 3.4 percent in June to 3.2 percent in July, while last year the rate increased from 2.5 percent in June to 2.7 percent in July. This may indicate that a gradual resurgence in the economy may be underway. New Hampshire's population is predicted to increase by 2 percent a year for the next three years (NEEP), which will be greater than the 1 percent projected for Maine and Vermont or the 1.6 percent projected nationally. Increased population will lead to continued employment growth and provide workers for the services and trade sectors, which are expected to show an increase of 33,000 jobs in the next three years out of a total of 37,800 expected new jobs. Trade and services occupations will continue to

ACTIVE APPLICANTS BY OCCUPATION, JULY 1989

Area	Professional, Technical, & Managerial	Clerical	Sales	Services	Farm	Processing	Machine Trades	Benchwork	Structural Work	Freight & Transportation	Packaging & Material Handling	Miscellaneous	Total
New Hampshire	2,272	2,497	703	1,810	207	167	896	859	2,430	480	639	115	13,075
Berlin	28	70	27	87	4	1	14	13	80	13	19	0	356
Claremont	86	94	20	60	5	1	67	31	88	19	54	5	530
Concord	298	274	67	189	30	5	102	62	268	68	47	11	1,421
Conway	25	36	9	35	3	1	12	7	61	11	6	0	206
Dover	292	313	93	187	23	18	126	141	381	61	52	7	1,694
Keene	130	175	49	164	25	9	68	47	147	26	49	3	892
Laconia	185	210	60	161	25	15	95	62	264	57	22	6	1,162
Lebanon	114	79	31	51	6	0	14	13	67	6	7	6	394
Littleton	51	96	23	69	17	1	31	34	111	10	17	6	466
Manchester	294	427	134	416	20	37	131	132	395	84	175	34	2,279
Nashua	373	387	84	201	13	27	116	165	247	73	112	26	1,824
Portsmouth	247	204	60	123	17	22	69	57	208	30	56	5	1,098
Salem	149	132	46	67	19	30	51	95	113	22	23	6	753

ACTIVE APPLICANTS BY SEX, AGE, MINORITY STATUS, AND VETERAN STATUS, JULY 1989

Area	Male	Female	Eligible Claimants	Minority	Veterans	Age<45	Age >45	Total Active Applicants	Unfilled Openings: Total	Unfilled Openings: 30 Days+
New Hampshire	7,674	5,401	5,224	426	2,643	10,461	2,614	13,075	1,437	927
Berlin	190	166	68	5	43	291	65	356	44	17
Claremont	320	210	114	2	112	426	104	530	58	27
Concord	937	484	524	24	403	1,098	323	1,421	112	65
Conway	126	80	97	2	40	162	44	206	34	23
Dover	996	698	767	32	372	1,409	285	1,694	131	52
Keene	465	427	230	10	132	725	167	892	104	61
Laconia	672	490	533	11	178	934	228	1,162	91	41
Lebanon	213	181	125	8	71	314	80	394	58	24
Littleton	252	214	111	3	54	400	66	466	82	32
Manchester	1,351	928	836	115	497	1,862	417	2,279	93	59
Nashua	1,072	752	974	139	346	1,395	429	1,824	66	41
Portsmouth	659	439	459	45	253	871	227	1,098	169	127
Salem	421	332	384	30	142	574	179	753	98	71
All Others									299	287

Source: Employment Security Automated Reporting System - Table A96

dominate the job market into the foreseeable future and may act as a buffer for New Hampshire when the European Economic Community comes into existence in 1992. The EEC will have a strong manufacturing base, and companies from this county that have roots there may do well. However, those from this country that plan to start up businesses soon in Europe could face many barriers including lack of familiarity with local customs and needs and language. In 1992, when trade barriers are removed and some sort of standard currency is agreed upon, competition from this portion of the world could be keen indeed, with the impact being felt worldwide. The tendency in Europe will be for larger, more established companies to take control, leaving smaller companies in Europe and elsewhere in a vulnerable position. Success in business will be measured and determined on a more global basis.

Clerical active applicants showed the greatest numerical increase, moving from 2,329 in June to 2,497 in July (+168). Most of the increase in this group came from Nashua (+42), Littleton (+31), Claremont (+26), and Lebanon (+22). The increase of 168 active applicants between June and July of 1989 was significantly larger than the increase of 55 between the same two months in 1988, partly as the result of more manufacturing plant layoffs this summer. Structural occupations experienced a decrease of 30 active applicants between June and July of 1989 compared to a decrease of 80 between the same two months last year. In July 1988 there were a nearly equal number of active applicants from structural work (1,387) and services (1,389), while in July 1989 structural (2,430) led services (1,810) by a substantial amount. This again indicates a serious slowdown in construction. Professional technical and managerial occupations decreased from 19.5 percent of total active applicants in July 1988 to 17.5 percent in July 1989.

Job openings received declined for farm occupations (-187), as well as for services occupations (-83). Both drops were

JOB OPENINGS RECEIVED BY OCCUPATION, JULY 1989

Area	Professional, Technical, & Managerial	Clerical	Sales	Services	Farm	Processing	Machine Trades	Benchwork	Structural Work	Motor Freight & Transportation	Packaging & Material Handling	Miscellaneous	Total
New Hampshire	125	205	63	209	84	16	85	91	242	31	48	2	1,201
Berlin	1	32	3	15	0	0	8	3	9	2	2	0	75
Claremont	6	10	5	13	0	1	13	7	6	1	16	0	78
Concord	21	26	4	17	3	0	3	7	39	10	3	1	134
Conway	2	4	1	19	0	0	3	0	1	1	7	0	38
Dover	23	23	3	24	2	1	11	9	42	2	0	1	141
Keene	7	14	9	3	0	7	6	6	16	4	3	0	75
Laconia	24	15	1	18	5	1	8	12	18	1	1	0	104
Lebanon	4	13	4	20	0	0	3	1	32	2	1	0	80
Littleton	5	13	10	43	4	1	11	10	13	2	3	0	115
Manchester	2	16	8	19	0	2	4	19	18	2	1	0	91
Nashua	2	4	6	2	0	2	3	7	12	0	3	0	41
Portsmouth	12	25	5	14	2	1	8	4	23	3	2	0	99
Salem	4	9	4	2	0	0	4	6	10	1	5	0	45
All Others	12	1	0	0	68	0	0	0	3	0	1	0	85

JOB OPENINGS RECEIVED BY INDUSTRY, JULY 1989

Area	Agriculture, Forestry and Fisheries	Construction & Mining	Manufacturing	Transportation, Communication & Utilities	Trade	Finance Insurance, Real Estate	Services	Public Administration	Total	Government Openings in Columns 1-8*
New Hampshire	74	212	231	15	255	30	322	62	1,201	138
Berlin	0	10	12	0	31	2	19	1	75	21
Claremont	0	7	21	0	36	1	12	1	78	4
Concord	3	42	16	2	10	6	35	20	134	21
Conway	0	4	2	1	16	0	15	0	38	0
Dover	0	29	24	2	18	1	63	4	141	44
Keene	0	14	26	0	23	2	10	0	75	4
Laconia	2	17	26	1	14	5	38	1	104	4
Lebanon	0	25	4	3	22	2	11	13	80	17
Littleton	1	12	32	2	23	2	42	1	115	1
Manchester	0	17	27	0	17	5	21	4	91	3
Nashua	0	4	13	1	10	1	12	0	41	1
Portsmouth	0	28	11	3	22	2	30	3	99	5
Salem	0	3	17	0	12	1	11	1	45	1
All Others	68	0	0	0	1	0	3	13	85	12

Source: Employment Security Automated Reporting System - Table 10

* *This column includes Job Openings received from government-owned-and-operated employers in all types of industries. It consists of numbers that are included in the first eight columns.*

due to a seasonal downturn in demand. The decline in the number of services job openings received between June and July was much larger than between the same two months a year ago, which is a reflection of the slowdown in tourist-related businesses this summer. Motor freight and transportation declined by 30 job openings received, going from 61 in June of this year to 31 in July, compared to a decline of 13 job openings a year ago (78 in June 1988 to 65 in July 1988).

The greatest increase in job openings received occurred in professional, technical and managerial occupations (+17) between June and July of 1989, while a year ago data showed a decline (-12) between these two months.

Oliver Northcott

Notes of Interest:

New Hampshire Population by Age Group, 1984-1988
(in thousands)

	1988	1987	1986	1985	1984
Total	1085	1056	1027	998	978
under 5	81	76	73	70	68
5-17	194	190	187	184	184
18-24	123	122	122	123	124
25-34	199	194	187	179	173
35-44	168	162	154	145	137
45-54	106	100	95	92	91
55-64	91	91	89	88	87
65-74	71	70	69	68	67
75+	52	51	49	48	47

Percent Distribution of New Hampshire Population by Age Group, 1984-1988
by Age Group, 1984-1988

	1988	1987	1986	1985	1984
under 5	7.5%	7.2%	7.1%	7.0%	7.0%
5-17	17.9%	18.0%	18.2%	18.4%	18.8%
18-24	11.3%	11.6%	11.9%	12.3%	12.7%
25-34	18.3%	18.4%	18.2%	17.9%	17.7%
35-44	15.5%	15.3%	15.0%	14.5%	14.0%
45-54	9.8%	9.5%	9.3%	9.2%	9.3%
55-64	8.4%	8.6%	8.7%	8.8%	8.9%
65-74	6.5%	6.6%	6.7%	6.8%	6.9%
75+	4.8%	4.8%	4.8%	4.8%	4.8%
Under 5	7.5%	7.2%	7.1%	7.0%	7.0%
5-24	29.2%	29.5%	30.1%	30.8%	31.5%
25-54	43.6%	43.2%	42.5%	41.7%	41.0%
55+	19.7%	20.1%	20.2%	20.4%	20.6%

Source: U.S. Census Bureau

WEEKLY CLAIMS FILED DURING JULY 1989
CLASSIFIED BY LOCAL OFFICE

Area	U. C. Unemployment Compensation		State Workers (Only)		U. C. Local Government		Ex-Military Servicemen (UCX Only)		U.C. Federal Employees No U.I.	
	Initial Claims	Continued Claims	Initial Claims	Continued Claims	Initial Claims	Continued Claims	Initial Claims	Continued Claims	Initial Claims	Continued Claims
All Offices	5,806	19,154	11	23	13	7	32	36	21	28
Berlin	326	562	1	2	0	0	1	0	0	0
Claremont	354	462	0	0	1	4	1	0	0	0
Concord	449	1,832	4	0	5	0	6	2	1	2
Conway	95	416	0	0	0	0	0	0	0	0
Dover	1,331	3,301	0	4	0	0	11	14	10	5
Keene	257	729	1	1	1	0	2	0	0	0
Laconia	451	1,827	0	5	1	2	2	1	1	3
Lebanon	82	371	0	4	0	0	0	3	0	1
Littleton	198	480	0	0	0	0	0	0	0	0
Manchester	879	3,404	2	0	2	0	3	4	2	9
Nashua	565	2,210	0	0	1	0	3	3	3	5
Portsmouth	387	1,654	1	4	0	0	3	9	0	3
Salem	221	768	0	0	1	0	0	0	1	0
Liable Interstate	211	1,138	2	8	1	1	0	0	3	0

The average payment for a week of total unemployment: $125.78

The Unemployment Compensation Fund Balance at the End of the Month: $196,808,422.84

Net contributions received during the month: $3,607,227.89

Net benefits paid during the month: $1,944,361.49

Interest Received: $0.00